

April 20, 2016

Honorable Members of the Senate Commerce Committee  
Michigan State Senate  
210 Farnum Building  
Lansing, Michigan 48909



**RE: BEST VALUE CONTRACTING POLICY & IT'S IMPACT ON TAX BASE EXPANSION**

Dear Chairman Schmidt, Minority Vice Chairman Hertel, members, and my Senator Vice Chairman and Senate Majority Floor Leader Mike Kowall:

I sincerely appreciate the invitation to speak on behalf of the Michigan Minority Supplier Development Council, as well as minority, female, veteran and disadvantaged businesses.

My comments today come from my experience as a State bureaucrat, wherein I served as Deputy Director of the Michigan Department of Commerce and chaired a team which created the Equal Access Accounting Report System housed in the Department of Management and Budget, designed to track and help policy makers understand minority business sector participation, growth, under-utilization and growth opportunities. My comments also come as the former State Marketing Executive of the Michigan Lottery whom was responsible for directing the team that implemented the 6 of 40 Lotto Game and created a diverse supplier and retail network participation plan that included organization of entities such as the Michigan Black Press Association to aggregate minority owned print media with minority owned electronic media to offset a lack of audited circulation and Arbitron Ratings.

I also come to you with the lens of a former minority ranking member of the Michigan House of Representatives Committee on Appropriations whom while understanding the fiscal and political constraints of the Executive and the respective caucuses, was more times than not (as Senator Kowall will attest to) successful in collaborating on "fiscally responsible incremental program and resource development" for poverty reduction and life quality elevation efforts for disadvantaged populations.

Lastly I speak from the lens of a member of the Michigan Minority Supplier Development Council and Public Policy Advisor to the Black Caucus Foundation of Michigan whom began an electric powerline tree trimming business in 1992 with one truck, and has become one of the largest African American overhead and underground electric power restoration, line construction and line clearance companies in America.

I share this with you because I want you to truly know that I understand what it is like to sit in your chair and deliberate on policies that intentionally provide resources to constituents that may not be "directly" yours. But just because they aren't, does not mean that failure to provide proper intellectual consideration of their "asks" won't have an adverse financial impact on your constituents and the robustness of Michigan's economy. Public and private investment in minority and disadvantaged entrepreneurs is both good business, and good public policy. This does not mean that we as advocates want or expect non-merit based or value-added decisions. It means that along with assuring there is no institutional impediments to equitable contract and procurement opportunity; that where there are opportunities to leverage purchases to achieve local and diverse workforce and business participation, that you support "pressing the envelop" among supply chain executives to look beyond lowest price as the only metric for award. Lowest price certainly must ALWAYS be a major factor. But supply chain metrics and contract awards that affirmatively weight or incent efforts to utilize local businesses and workforces ultimately will have the "Best Value" for investment as it relates to Michigan's economy.

Energy Group is a wholly owned subsidiary of

Utility Services of America

Certified Member



**Corporate Offices**

8837 Lyndon Avenue  
Detroit, Michigan 48238

Voice: (313) 491-8411

Facsimile: (313) 491-1410

Web: [www.energygroupusa.com](http://www.energygroupusa.com)



April 20, 1016

Honorable Members of the Senate Commerce Committee

RE: BEST VALUE CONTRACTING POLICY & IT'S IMPACT ON TAX BASE EXPANSION

Page 2 of 2

Implementing and advancing Best Value Policy is not rocket science, but it does take work and effort. It can work in both public and private contracting, and hiring. It is not race based. It is local economy based. Now, please don't construe my advocacy for this policy as an indication that I believe that **"race-based polices designed to help disadvantaged majorities obtain equitable participation in the economy" are not needed**". The mere fact a majority population in a community (Detroit, Flint, Pontiac, etc.) is in a position to be considered a minority should signal to anyone paying attention that there must be "structural and institutional inequity". But that is a completely different discussion. The two simple points I would like to make are these. When the DNR pulled their procurement process out of Representative Triston Coles district under the guise of efficiency and placed it in Lansing, his constituents lost business opportunities and jobs. When this honorable body was faced with choosing between the cost of a Detroit Public School Bankruptcy or \$715,000,0000 appropriation; some members that felt no moral obligation may have held their nose because of local politics; but most knew it was the fiscally responsible thing to do and voted to support it.

If a policy-maker truly understands the importance of "preventative investment" or investment in "affirmative employment eco-system development (i.e. vertical & horizontal craft entrepreneurs) versus "negative employment econ-system development (i.e. corrections and substance abuse bureaucrats); than they understand the intrinsic economic value of Best Value Policy, and advocacy for minority and disadvantaged participation. In Detroit, we have an Executive that understands both the need and complexity of addressing participation in Mayor Mike Duggan. Because of both his understanding and leadership, both public and private supply chain culture is improving. But I think as we all know, there is still a long way to go; and **the technical assistance that the Michigan Minority Supplier Development Council provides to both Michigan companies and minority businesses is critical to helping us achieve the robust participatory economy we all want.**

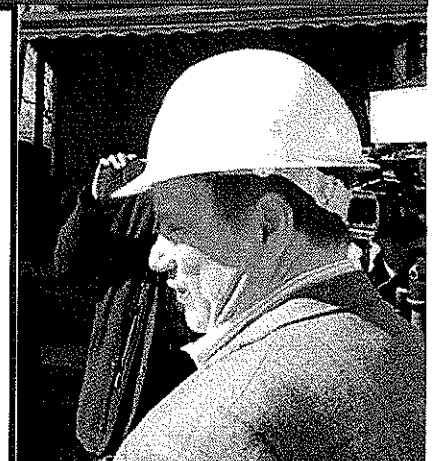
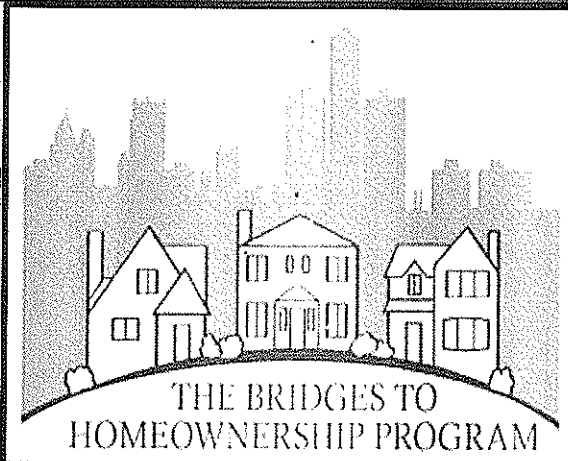
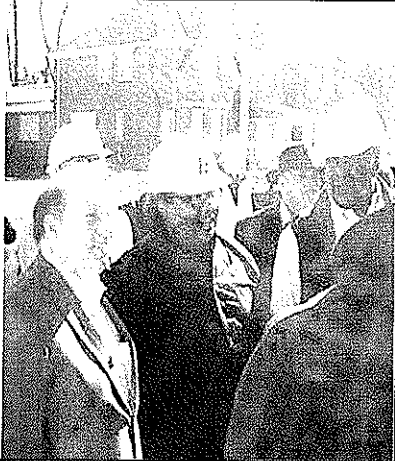
It is important to note, that Best Value Policy is not an idea, it is a solution. The Federal Highway Administration approved its use by the Michigan Department of Transportation on projects such as the M1 Rail, Vernor, M-39 and I-96 highway reconstructs; with more projects under consideration today. It is equally important to note that the legislature must continue to advance investment in Public School Career Technical Education (HB 5508) and "demand driven workforce development systems" to assure a steady stream of "work-ready" candidates are available to Michigan employers whom support the effort.

Looking forward, I would ask that you challenge both public and private Chief Executives to evaluate their organizational efforts to be inclusive, and establish their own metric for socio-economic impact that helps Michigan expand its economy; and population participation in it. **The other thing that is important is "knowing what you don't know or understand" and having a willingness to seek out and join organizations like the Michigan Minority Supplier Development Council to help you develop strategies to deliver broadened participation without sacrificing safety, quality, efficiency or price.**

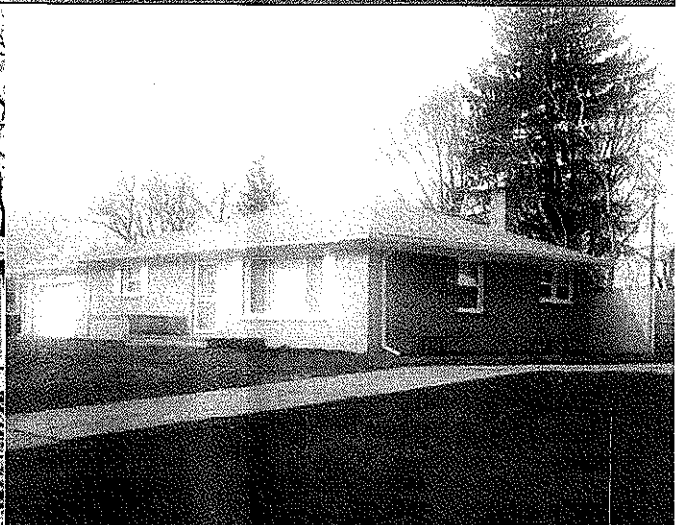
Sincerely,

KB Stallworth  
Chairman & CEO

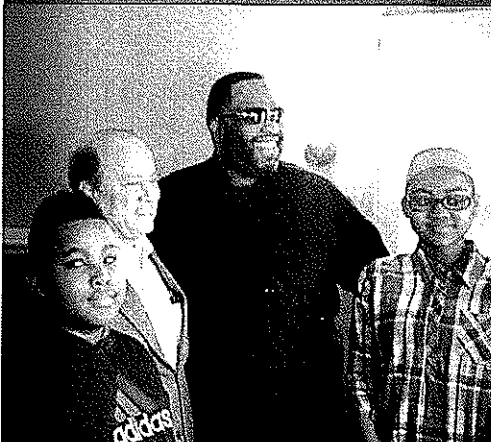
## EXPANDING THE TAX BASE BY CREATING LOCAL JOBS, REBUILDING NEIGHBORHOODS & RESTORING PROPERTY VALUES



Mayor Duggan believes "Every Detroit Neighborhood Has A Future" and part of assuring that future is bright is by providing the "tenant-occupants" of tax foreclosed properties the opportunity to purchase their home.



**BEFORE & AFTER** views of Detroit properties that are part of the Bridges to Homeownership Program (BTHO) highlight how beautiful the housing stock is in Detroit neighborhoods. Our efforts support the restoration of property values.

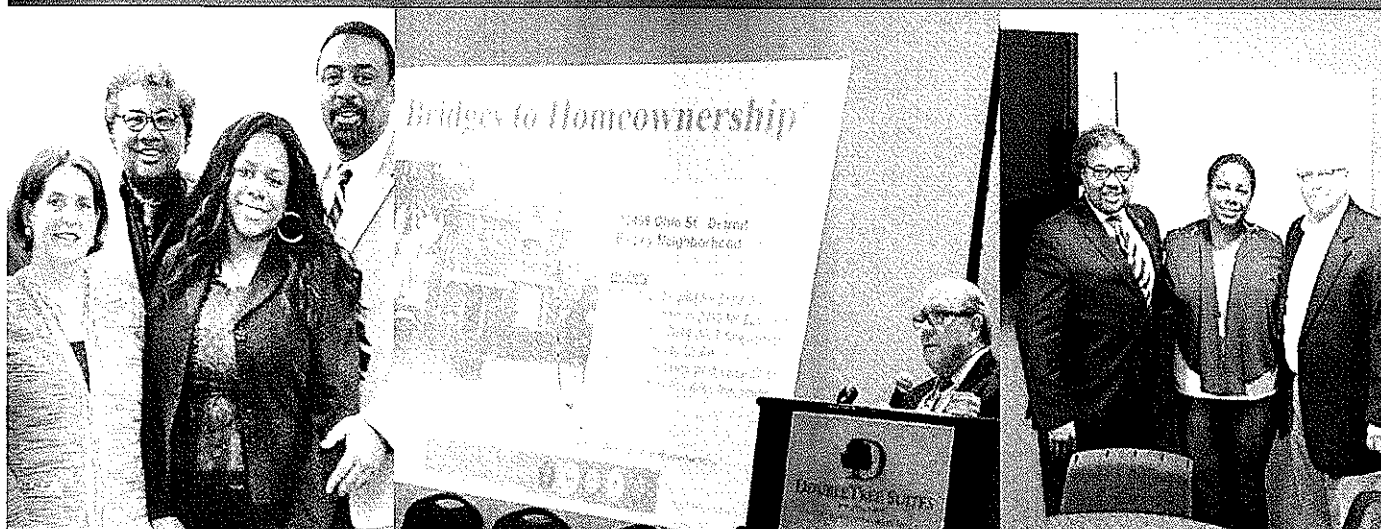


**IT REALLY FEELS GOOD TO BE IN A NEW HOME;** and seeing the work commence and being completed on your block is even better when elected officials like Mayor Duggan and State Representative Leslie Love stop out to check on the progress and spend time touring your home and meeting all of your neighbors.

**INVESTMENT IN THE TRAINING OF LOCAL AND DIVERSE CONTRACTORS** is essential to the redevelopment of Michigan's older inner city communities because those contractors are more likely to expand the city's tax base by making local and diverse hires.



**A LITTLE T.L.C.** for a home's interior not only can restore the home's beauty, it can also restore the occupants' pride. Any tenant that has been paying rent to a landlord that simply refused to pay property taxes should not have to be summarily evicted. The BTHO Program provides "tenant-occupants" of tax foreclosed and forfeited properties with wrap-around services that will help them become homeowners; including homeownership counseling, life skills and behavioral health development.



**IT TAKES A GREAT TEAM** to map out and implement an economically self-sustaining, replicable, culturally sensitive, community elevating policy that serves as a "building block solution" to multiple challenges facing the revitalization of urban neighborhoods and improved life quality for inner city residents.

**Attorney Erica Ward**  
Chair, Detroit Land Bank Authority

**Krysta Pate**  
Director, Detroit Home Mortgage (CRE)

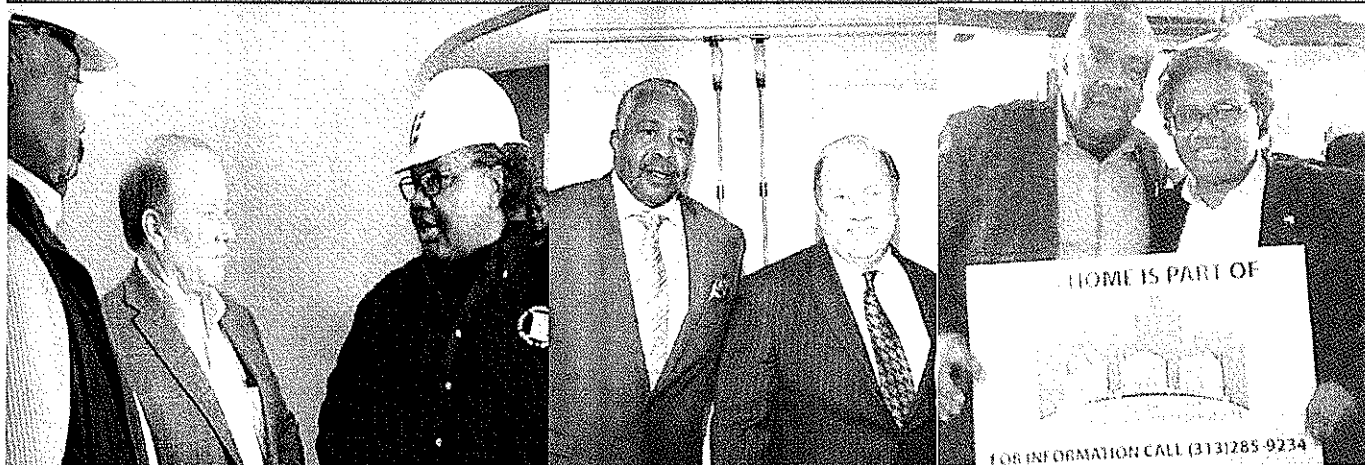
**Chris Aldridge, MBA**, Black Caucus Foundation Sub-Committee Chair  
on Financial Institution Urban Policy,  
Work-Group Sub-Committee On Incentivizing Neighborhood Density & Property Values

**Attorney Andrew Munro**  
RSC CEO & Project Manager, Bridges to Homeownership

**Attorney Darrell Chimko**  
Vice President, Realty Services Company

**Dr. KB Stallworth**, USA Energy Group Chairman & Public Policy Advisor, Black Caucus Foundation of Michigan

**SELF-SUSTAINING** VERTICAL ECONOMIC & EMPLOYMENT CONSTRUCTS increase a community's life quality while reducing poverty.



**NOTHING IS POSSIBLE WITHOUT GREAT LEADERSHIP** and we are fortunate to have the best in Laborers International Union Local 1191 Business Manager & President of the Black Caucus Foundation of Michigan **Michael Aaron**, and Detroit Mayor **Michael Duggan**.



**ALWAYS HAPPY TO SEE DETROIT AND MINORITY CONTRACTORS WORKING**, Mayor Duggan and Detroit City Council President Brenda Jones know how important Career Technical Education is to providing many Detroit residents with employment and entrepreneurial opportunities related to revitalizing and maintaining the housing stock in Detroit neighborhoods. The BTHO Program provides a template for "demand driven" craft skill set development which will remain a viable income opportunity for local and diverse trainee participants for years to come. *"The fastest path away from poverty is through gainful employment."*



**INSPIRED** by a "service march" that began with her election to the Michigan House of Representatives in 1971, team members of the BTHO Program are committed to improving inner city life quality through housing stock revitalization. (Black Caucus Foundation of Michigan Founder, the Honorable Representative Alma G. Stallworth, PhD, seated in photo above)